MONTANA LEGISLATIVE HISTORY

Chapter 82 19 75

Bill H 3 S _____ Original bill & history ___C

H. Committee on Business & Industry		S. Committee on Business & Industry	
Hearing Date(s) Jan 13	✓C	Hearing Date(s) Feb 26	✓C
Jan 20	✓C	Feb 27	✓C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Jan 20	✓C	Feb 27	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

HOUSE BILL NO. 3

INTRODUCED BY QUILICI

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN INSURER WHO CANCELS OR REFUSES TO RENEW A HOME FIRE INSURANCE POLICY TO GIVE THE INSURED A STATEMENT OF THE REASON THEREFOR; AMENDING SECTIONS 40-4415 AND 40-4416, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 40-4415, R.C.M. 1947, is amended to read as follows:

"40-4415. Written notice required for cancellation or nonrenewal of fire insurance policies. No insurer shall cancel or refuse to renew any policy providing fire coverage on any home occupied by the insured as a domicile without first giving to the insured thirty (30) days' notice in writing, including in the notice a statement of the reason for cancelling or not renewing the policy.

Section 2. Section 40-4416, R.C.M. 1947, is amended to read as follows:

"40-4416. Penalty for cancellation or nonrenewal of fire insurance policies without required notice. Violation of ~~this~~ section 40-4415 is punishable under section 40-2617, R.C.M., 1947 (general penalty)."

-End-

INTRODUCED BILL

HB3

BUSINESS AND INDUSTRY COMMITTEE

January 13, 1975

The second meeting of the Business and Industry Committee was called to order this date, at 10:30 A.M., in Room 433, of the Capitol Building, with Chairman Shelden presiding. All members were present with the exception of Representative Fagg.

House Bill No. 3 was before the committee for consideration.

Representative Quilici gave a brief summary on behalf of HB #3, and the proposed amendment to it (attached hereto).

Opponents to the bill were Chad Smith (testimony attached), and W. Boyce Clarke (testimony attached).

Louis Forcell, who was a proponent for this bill, together with Representative Quilici, also spoke on behalf of House Bill #3.

Chairman Shelden appointed Representatives Quilici, Harper and Vincent to serve on the sub-committee for review of HB #3.

Jim Erickson was introduced to the members as a researcher, who would be available to them.

The meeting was adjourned at 11:00 A.M. until Friday, January 17, at 10:30 A.M.

zd

Arthur H. Shelden

House Bill No. 3 - amend by adding a Section 2.

Section 2. There shall be no liability on the part of, and no cause of action of any nature shall arise against any state officer or employee, or against any insurer, its authorized representatives, its agents, its employees, or any firm of persons or corporation, furnishing to the insurer information as to the reasons for cancellation or non-renewal of any insurance policy, or for any statement made by any of them in any oral or written notice of cancellation, or in any other communication specifying the reasons for cancellation or non-renewal, or for providing information pertaining thereto or submitting evidence at any hearing conducted in connection therewith.

Chad Smith
American Mutual Insurance Alliance
Box 604 Helena
442-2780

My name is Joyce Clarke representing Independent Insurance Agents of Montana. - I am an active Independent Agent at Miles City and have been in the business over 35 years —

Recd. 4-35.

Position: HB # 3 Term - Home Fire Ins. - Revised?
(Hurricanes or Hail Ins. and further defined in both of bill)

Local Independent Agents have no real objection to this proposed legislation. This is not a frequent problem with them as the Independent agent has the facilities of a variety of company underwriting philosophies and insurance programs. - When companies insist on cancelling or non renewal, however, the agent can find himself hard pressed to explain to an insured as the reason is seldom clearly furnished to the agent by the company.

However, in all fairness, there are legitimate reasons for cancellation and non renewal: - Such as

1. Non payment of premium. -
2. Poor maintenance or deterioration of the property. -
3. Continuous, frequent loss experience, originating from personal indifference or irresponsibility.
4. Overall change in company underwriting programs

It is our position, therefor, that for this legislation to be meaningful, it should recognize certain acceptable reasons for cancellation or non renewal. For this reason our people feel we should oppose passage of House Bill No. 3 in its present form. -

BUSINESS AND INDUSTRY COMMITTEE

January 20, 1975

The Business and Industry Committee meeting was called to order this date at 10:30 A.M., with Chairman Shelden presiding. All members were present.

The following bills were before the committee for consideration.

HB 67...Rep. Manuel, sponsor, gave a brief summary of this bill. Ed Naughten, Montana Credit Unions League, a proponent, also spoke supporting the bill (statement attached). Opponents, John Cadby, Executive Manager of The Montana Banker's Association, (Statement attached), W. Boyce Clarke and Tom Maddox, who are of the Independent Insurance Agents Association, (Clarke's statement attached) and Phil Sandquist, Montana Independent Banker's Association (statement attached) testified against this bill.

HB 77...Rep. Kvaalen, sponsor, presented this bill to the committee. There were no opponents.

The following action was taken by the committee:

HB 3...Rep. Quilici, chairman of the subcommittee on this bill, explained the proposed amendments of the bill. A motion was made by Rep. Casey that the amendments be voted on. This motion failed, with Representatives Aageson, Fabrega, Wood and Casey voting YES. This was a roll call vote. Rep. Quilici moved that the proposed amendments be approved. The motion passed unanimously. Rep. Quilici moved that HB 3 DO PASS, AS SO AMENDED. The motion passed with Representatives Sloan, Fabrega, Casey and Wood voting NO. (copy of amendments attached hereto)

There being no further business, the meeting adjourned.

zd

Arthur H. Shelden

PROPOSED AMENDMENT TO:

House Bill No. 3

~~of the introduced bill~~

Be amended in the title on page 1, line 5, after the words "REVEW A" by striking the words "~~HOME-FIRE~~", and inserting in lieu thereof the words "HOMEOWNERS OR HOME FIRE", and

be further amended on page 1, section 1, line 14, after the word "policy" by striking the following words "~~providing fire-coverage~~", and inserting in lieu thereof the following words: "insuring private residences including but not limited to fire, homeowner, theft or liability", and

AS SO AMENDED
DO PASS

Strikeout or insert w/ dashes or underline inside quotes

February 26, 1975

MINUTES OF THE MEETING

BUSINESS AND INDUSTRY COMMITTEE

MONTANA STATE SENATE

Chairman Regan called the meeting of the Business and Industry Commitee to order on the above date at 11:00 a.m. in room 404 of the State Capitol Building. The meeting was called in order to discuss House Bill 322 an act entitled: "An Act to Amend Section 40-4804, R.C.M. 1947, To Increase to Twenty-Five Thousand Dollars the Amount Which a Farm Mutual Insurer May Retain on a Single Risk; And Providing an Effective Date." House Bill 3 an act entitled: " An Act Requiring an Insurer Who Cancels or Refuses to Renew a Homeowners or Home Fire Insurance Policy to Give the Insured a Statement of the Reason Therefor;Amending Sections 40-4415 and 40-4416, R.C.M. 1947." House Bill 188 an act entitled: "An Act To ~~Provide for~~ Clarify the Licensing and Regulation of Rental Location Agents~~, And Providing Penalties~~." House Bill 175 an act entitled: "An Act to Amend Section 87-136 R.C.M. 1947, By Changing the Word "Commission" to "Division" ... And Providing an Immediate Effective Date."

ROLL CALL: All members of the Committee were present with the exception of Senator Hazelbaker who was excused.

HOUSE BILL 322: Representative Wolfe presented the bill to the Committee which would increase to twenty-five thousand dollars the amount which a farm mutual insurer may retain on a single risk; and provide an effective date. A brief discussion period followed with questions from the Committee.

HOUSE BILL 3: Representative Quilici presented the bill to the Committee. The bill would require that a person who does not renew or cancels a policy to give a written explanation. Some of the reasons for not renewing would be age, divorce, or change of living location. A brief discussion period followed with questions from the Committee.

HOUSE BILL 188: In the absence of Representative Jack Moore who was chief sponsor of this bill, Greg Jackson, Montana Board of Real Estate presented the bill to the Committee. He stated that there are rental agents in Montana who, for ten or twenty dollars, will provide a list to people of available dwellings for rent. Most items on the lists have been taken from the newspapers. The prospective tenant needs some protection. A brief discussion period followed with questions from the Committee.

HOUSE BILL 175: Representative MaGone, chief sponsor, presented the bill to the Committee. He stated that the Employment Security Division has had some problems collecting fees. The Division felt that if they put this clause in that it would bind them in collecting fees. A brief discussion period followed with questions from the Committee. Senator Greely asked if the bill needed an effective date. Representative MaGone felt this would be a good idea.

The Committee then went into executive session on House Bill 322 and House Bill 3.

HOUSE BILL 322: Senator Towe moved to amend line 7, page 1, following "risk;" strike "provide an effective date". Senator Towe then moved to strike section 2 in its entirety. All were in favor with the exceptions of Senators Foster, Hazelbaker, and Kolstad who were absent for the vote. Senator Devine moved the bill be concurred in as amended. All were in favor with the exceptions of Senators Foster, Kolstad, and Hazelbaker who were absent for the vote.

HOSUE BILL 3: Senator Towe moved to amend page 1, line 14 to strike the word "fire" and following "policies" in the same line insert "on homes". On line 17 following "liability" insert "insurance". On line 25, strike "fire" and following "policies" insert "on homes". All were in favor with the exceptions of Senators Foster, Hazelbaker, and Kolstad who were absent for the vote. Senator Devine moved the bill be concurred in as amended. All were in favor with the exceptions of Senators Foster, Hazelbaker, and Kolstad who were absent for the vote.

ADJOURN: There being no further business Chairman Regan adjourned the meeting at 11:45.

Pat Regan

PAT REGAN, CHAIRMAN

ROLL CALL

Bus. & Ind. COMMITTEE

44th LEGISLATIVE SESSION 1975

Date 2-26

NAME	PRESENT	ABSENT	EXCUSED
John W. Devine, V.C.	✓		
Donald R. Foster	✓		
Mike Greely	✓		
Thomas E. Towe	✓		
Frank W. Hazelbaker			✓
Allen C. Kolstad	✓		
Antoinette Fraser Rosell	✓		
Pat Regan, Chairman	✓		

Each day attach to minutes

HOUSE BILL NO. 3

INTRODUCED BY QUILICI

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN INSURER WHO CANCELS OR REFUSES TO RENEW A HOMEOWNERS OR HOME FIRE INSURANCE POLICY TO GIVE THE INSURED A STATEMENT OF THE REASON THEREFOR; AMENDING SECTIONS 40-4415 AND 40-4416, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 40-4415, R.C.M. 1947, is amended to read as follows:

"40-4415. Written notice required for cancellation or nonrenewal of ~~fire~~ insurance policies ON HOMES. No insurer shall cancel or refuse to renew any policy ~~providing--fire coverage~~ INSURING PRIVATE RESIDENCES INCLUDING BUT NOT LIMITED TO FIRE, HOMEOWNER, THEFT OR LIABILITY INSURANCE on any home occupied by the insured as a domicile without first giving to the insured thirty (30) days' notice in writing, including in the notice a statement of the SPECIFIC reason OR REASONS for cancelling or not renewing the policy.

Section 2. Section 40-4416, R.C.M. 1947, is amended to read as follows:

"40-4416. Penalty for cancellation or nonrenewal of ~~fire~~ insurance policies ON HOMES without required notice. Violation of ~~this~~ section 40-4415 is punishable under section 40-2617, R.C.M., 1947 (general penalty)."

-End-

REFERENCE BILL